Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Message Text

UNCLASSIFIED

PAGE 01 STATE 248529
ORIGIN EB-08

INFO OCT-01 AF-10 ARA-14 EA-12 EUR-12 NEA-10 IO-14
ISO-00 AID-05 CEA-01 CIAE-00 COME-00 FRB-01
INR-07 NSAE-00 USIA-15 OPIC-06 SP-02 TRSE-00
LAB-04 SIL-01 AGRE-00 OMB-01 SS-15 STR-05 DODE-00
PM-05 H-02 L-03 NSC-05 PA-02 PRS-01 /162 R

DRAFTED BY EB/OT/STA:CHBLUM:LPP
APPROVED BY EB/ITP:WGBARRACLOUGH
TREASURY:JRAY(SUBS)
STR:DHEIMLICH(SUBS)
EB/OT/STA:JSPIRO
----------051236 160545Z /13
R 160355Z OCT 77
FM SECSTATE WASHDC
TO AMEMBASSY BONN
AMEMBASSY BRUSSELS
AMEMBASSY COPENHAGEN
AMEMBASSY DUBLIN
USMISSION GENEVA
AMEMBASSY THE HAGUE
AMEMBASSY LONDON
AMEMBASSY LUXEMBOURG
AMEMBASSY MADRID
AMEMBASSY MEXICO
AMEMBASSY OTTAWA
AMEMBASSY PARIS
AMEMBASSY PRETORIA
AMEMBASSY ROME
AMEMBASSY STOCKHOLM
AMEMBASSY TOKYO
AMEMBASSY VIENNA

UNCLAS STATE 248529

USEEC ALSO FOR EMBASSY, USMISSION ALSO FOR USMTN,
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 STATE 248529

E.O. 11652:N/A

TAGS: ETRD, US, JA, EC

SUBJECT: STEEL DEVELOPMENTS

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

REF: STATE 234703

USOECD ALSO FOR EMBASSY; TOKYO PLEASE PASS ASSISTANT SECRETARY JULIUS KATZ

1. THE PAST WEEK HAS PRODUCED A NUMBER OF IMPORTANT DEVELOPMENTS RELATING TO THE PROBLEMS OF THE U.S. STEEL INDUSTRY. ABOUT 40 BUSINESS, LABOR AND CONGRESSIONAL LEADERS MET WITH ADMINISTRATION OFFICIALS OCTOBER 13 IN A WHITE HOUSE MEETING CHAIRED BY AMBASSADOR STRAUSS. THE PRESIDENT ATTENDED THE CLOSED-DOOR, AFTERNOON-LONG MEETING FOR ABOUT 45 MINUTES. THE PRESS WAS PERMITTED TO OBSERVE A BRIEF PORTION OF THE MEETING AND A NUMBER OF PARTICIPANTS SPOKE TO PRESS AFTERWARDS. ACCORDING TO PRESS AND OTHER UNOFFICIAL REPORTS, PARTICIPANTS SUGGESTED A WIDE-RANGE OF GOVERNMENT ACTIONS TO HELP THE STEEL INDUSTRY. THE ATMOSPHERE WAS REPORTEDLY COOPERATIVE AND CONSTRUCTIVE.

2. IN A SURPRISING CHANGE OF EMPHASIS, U.S. STEEL CORPORATION CHAIRMAN EDGAR SPEER TOOK THE POSITION THAT THE INDUSTRY "WOULDN'T RECOMMEND" THAT THE ADMINISTRATION IMPOSE IMPORT "RESTRAINTS" ON STEEL. INSTEAD HE ARGUED THAT "FAIR TRADE" IS ESSENTIAL AND COULD BE ACHIEVED BY VIGOROUS ENFORCEMENT OF EXISTING ANTI-DUMPING LAWS. IN A SIMILAR VEIN, THE PRESIDENT SAID THAT THE USG IN THE UNCLASSIFIED

UNCLASSIFIED

PAGE 03 STATE 248529

PAST HAD NOT PROPERLY ENFORCED THE ANTI-DUMPING LAW BUT PROMISED TO "DO SOMETHING" TO ASSURE MORE EFFECTIVE ENFORCEMENT OF ANTI-DUMPING STATUTE. STRAUSS AGREED AND SECRETARY BLUMENTHAL GAVE ASSURANCE THAT TREASURY WILL EXPEDITE THE INVESTIGATION OF ANTI-DUMPING COMPLAINTS BY STEEL AND OTHER INDUSTRIES.

3. SPEER'S POSITION, WHICH CONTRASTS MARKEDLY WITH EARLIER STEEL INDUSTRY DEMANDS FOR QUANTITATIVE RESTRICTIONS, WAS CHALLENGED BY HOUSE WAYS AND MEANS TRADE SUBCOMMITTEE CHAIRMAN VANIK WHO WAS QUOTED AS BEING "REALY SHOCKED AT THE RATHER RELAXED COMPLACENCY" OF SPEER ABOUT THE NEED FOR IMPORT RESTRAINT. (VANIK HAD PROPOSED SEPTEMBER 30 A SEVEN-POINT STEEL PROGRAM THAT INCLUDES A CALL FOR A TEMPORARY VOLUNTARY RESTRAINT AGREEMENT UNTIL AN INTERNATIONAL SAFEGUARD ARRANGEMENT COULD BE NEGOTIATED UNDER ARTICLE 107 OF THE TRADE ACT.) UNITED STEELWORKERS PRESIDENT LLOYD MCBRIDE, WHILE EXPRESSING HIS BELIEF THAT U.S. INDUSTRY CAN BE COMPETITIVE IN THE LONG RUN, ADVOCATED TEMPORARY QUOTAS IN ORDER TO AVERT FURTHER LAYOFFS AND PLANT CLOSINGS.

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

4. IN BOTH SEPARATE MORNING PRESS CONFERENCE AND AFTER-NOON MEETING, THE PRESIDENT STRESSED THE COMPLEXITY OF THE PROBLEM AND THE NEED TO ADDRESS IT IN A COMPREHENSIVE RATHER THAN A SIMPLISTIC FASHION. HE SAID HE WILL BE STUDYING PROBLEM CAREFULLY AND WILL DECIDE ON A POLICY PACKAGE AFTER RECEIVING RECOMMENDATION OF INTER-AGENCY TASK FORCE CHAIRED BY TREASURY UNDER SECRETARY SOLOMON (REFTEL). IN PREPARING POLICY OPTIONS, TASK FORCE WILL DRAW ON ANALYSIS OF INDUSTRY PROBLEMS CONTAINED IN COUNCIL ON WAGE AND PRICE STABILITY REPORT MADE PUBLIC OCTOBER 7.

5. TREASURY IS EXPECTED TO ANNOUNCE NEXT WEEK INITIATION
UNCLASSIFIED

UNCLASSIFIED

PAGE 04 STATE 248529

OF AN ANTI-DUMPING INVESTIGATION OF IMPORTS OF STEEL WIRE ROD FROM FRANCE (SEPTEL BEING SENT TO PARIS) AND WILL DECIDE BY OCTOBER 20 WHETHER TO OPEN INVESTIGATION IN RESPONSE TO U.S. STEEL PETITION AGAINST A WIDE RANGE OF STEEL IMPORTS FROM JAPAN. IN ADDITION, IT IS WIDELY REPORTED THAT U.S. STEEL WILL SOON FILE ANOTHER

PETITION, POSSIBLY AGAINST BRITISH STEEL, AND THAT NATIONAL STEEL IS PREPARING A PETITION AGAINST OTHER EUROPEAN PRODUCERS. VANCE

UNCLASSIFIED

NNN

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: STEEL, INDUSTRY, MEETINGS, ECONOMIC PROGRAMS, ANTIDUMPING LAW (TRADE)
Control Number: n/a
Copy: SINGLE
Sent Date: 16-Oct-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE248529
Document Source: CORE
Document Unique ID: 00
Drafter: CHBLUM:LPP
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770380-0299
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19771055/aaaabukt.tel
Line Count: 146
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 3371422e-c288-dd11-92da-001cc4696bcc
Office: ORIGIN EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 77 STATE 234703
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 08-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 900196
Secure: OPEN
Status: NATIVE
Subject: STEEL DEVELOPMENTS
TAGS: ETRD, US, JA, EEC
To: BONN BRUSSELS MULTIPLE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/3371422e-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009